

## Message Text

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ACTION STR-05

INFO OCT-01 ISO-00 STRE-00 FEA-01 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05  
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01  
OIC-02 AF-10 ARA-10 EA-10 EUR-12 NEA-10 /130 W  
-----029899 202058Z /66

P R 201756Z OCT 77

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 2177

INFO AMEMBASSY BRUSSELS

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USMTN USEEC  
ACTION STR  
STR PASS CODEL

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: S&D IN THE TARIFF PLAN

REF: GENEVA 8884

1. PATTERSON CONVENED MEETING ON TARIFF S&D OCTOBER 19  
ATTENDED BY US (CULBERT), EC (LUYTEN), JAPAN (UKAWA),  
NORDICS (LEMMEL), CANADA (GREY), AND SWISS (JAGMETTI).  
PATTERSON SAID LDCS WERE CONCERNED THAT S&D MIGHT BE LEFT  
BEHIND IF THERE WERE QUICK AGREEMENT ON A TARIFF PLAN.  
HE INDICATED LDCS WERE HAVING DIFFICULTY WORKING OUT A  
COMMON POSITION, BUT THAT ALL LDCS AGREED THAT A SPECIFIC  
REFERENCE IN WRITING TO S&D HAD TO BE MADE IN THE TARIFF  
PLAN. ALTHOUGH LDCS DID NOT HAVE A COMMON APPROACH,  
PATTERSON SAID THEY WERE BEING REALISTIC AND COULD  
SETTLE FOR A LISTING OF MEASURES DIVIDED INTO THREE  
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CATEGORIES: AGREED, AGREED BY SOME DCS, AND RECORDED  
AS LDC'S REQUESTS.

2. NO DC CHALLENGED THE VIEW THAT THE TARIFF PLAN HAD TO  
INCLUDE SOMETHING ON S&D, BUT OPINIONS ON WHAT TO INCLUDE  
VARIED CONSIDERABLY. IN RESPONSE TO PATTERSON'S REQUEST  
FOR VIEWS ON HOW S&D SHOULD BE RECORDED IN THE TARIFF

PLAN, US (CULBERT), SAID LDC REQUESTS FOR AGREED MEASURES SHOULD BE REASONABLE, SCALED DOWN SO AS NOT TO INCLUDE IMPOSSIBLE MEASURES SUCH AS BINDING OF PREFERENTIAL RATES AND MARGINS. HE ADDED THAT THE LANGUAGE ON S&D HAD TO BE ARTFULLY DRAFTED TO TAKE INTO ACCOUNT THE DIFFERENCES AMONG DEVELOPED COUNTRIES, AND NOTED PROGRESS IN S&D SHOULD BE PARALLEL TO PROGRESS ON THE OVERALL TARIFF PLAN, THUS, THERE WAS STILL A BIT OF TIME FOR INFORMAL DISCUSSIONS BEFORE DCS AND LDCS HAD TO MEET ON THIS QUESTION. CULBERT ALSO EMPHASIZED LDCS SHOULD MAKE A POSITIVE AFFIRMATION OF THEIR WILLINGNESS TO MAKE CONTRIBUTIONS TO THE TARIFF NEGOTIATIONS AS PART OF THE PACKAGE.

3. EC (LUYTEN) REFERRED TO THE S&D PROBLEM AS A POLITICAL ONE, AND INDICATED THE EC WAS NOT PREPARED TO DEFINE ITS POSITION ON S&D SIMPLY IN RESPONSE TO THE VIEWS OF A LIMITED NUMBER OF LDCS. HE STATED THE EC PREFERENCE TO LET LDCS WORK AMONGST THEMSELVES TO DEVELOP A POSITION ON S&D, AND OBSERVED THAT THE MEETING PATTERSON HELD WITH LDCS WAS NOT REPRESENTATIVE OF LDCS SINCE IT INCLUDED ONLY ONE AFRICAN COUNTRY, TWO MEDITERRANEAN STATES AND NO CARIBBEAN COUNTRIES.

4. PATTERSON RESPONDED TO LUYTEN BY OBSERVING THAT THE MOST ACTIVE LDCS HAD ATTENDED AND MAINTAINING THAT THERE WAS GEOGRAPHICAL BALANCE IN THAT ALL REGIONAL GROUPS LIMITED OFFICIAL USE

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WERE REPRESENTED. HE CONTINUED TO PRESS FOR GUIDANCE FROM DCS TO TAKE BACK TO LDCS. CANADA, JAPAN AND NORDICS NOTED THAT THE DCS WERE NOT ACTING AS A UNIFIED BLOC ON S&D AND URGED THAT THE LDCS SHOULD NOT BE ENCOURAGED TO ACT AS ONE. PATTERSON STATED THAT THE ALTERNATIVE APPROACHES TO HIS SHUTTLEING BACK AND FORTH WERE EITHER AN EARLY AND BROAD SEVEN PLUS SEVEN OR A TARIFF MEETING ON S&D. ALL DCS RESPONDED THAT THESE APPROACHES WERE LIKELY TO BE COUNTER-PRODUCTIVE AT THIS STAGE.

5. UKAWA SAID THAT SOME WAY TO COALESCE POSITIONS ON THIS QUESTION HAD TO BE FOUND WITHOUT ENCOURAGING BLOC POSITIONS. HE SUPPORTED US POSITION ON CONTRIBUTIONS AND THE "IMPOSSIBLE MEASURES", WHICH HE EXPANDED TO INCLUDE SOMETHING COMMITMENTAL IN THE GATT SENSE ON GSP, AND REQUESTED PATTERSON TO WORK ON THE MOST DIFFICULT LDCS TO BE MORE REASONABLE. THE NORDICS SUPPORTED THESE VIEWS.

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P R 201756Z OCT 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 2178  
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6. LUYTEN STATED THAT LANGUAGE ON S&D HAD TO BE NEUTRAL IN RECOGNITION OF THE FACT THAT NEITHER DCS NOR LDCS' VIEWS HAD CHANGED. HE FURTHER EXPLAINED THAT EACH DC WOULD DO WHAT IT COULD ON S&D QUITE APART FROM THE LANGUAGE IN THE TARIFF PLAN. HE ELABORATED THAT A NEUTRAL LISTING HAD TO INCLUDE ALL THE POSSIBLE MEASURES, SINCE THE DCS SHOULD NOT BE SEEN AS ATTEMPTING TO DIVIDE THE LDCS ON S&D. HE ALSO CITED THE TROPICAL PRODUCTS EXERCISE IN WHICH DIFFERENT APPROACHES BY DCS WERE NOT MUTUALLY EXCLUSIVE AND PROGRESS HAD BEEN MADE.

7. PATTERSON SUMMED UP BY INDICATING THAT HE WOULD INFORM LDCS THAT DCS HAD NOT CHANGED THEIR POSITIONS AND THAT THEY SHOULD TRY TO BE REASONABLE IN THEIR REQUESTS. IN ADDITION, HE WOULD TRY TO HEAD OFF CALLS FOR MORE FORMAL MEETINGS (LIKE A SEVEN PLUS SEVEN) PENDING FURTHER EXPLORATION VIA INFORMAL CONSULTATIONS.  
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8. COMMENT: MTN DEL HAD APPROACHED LUYTEN PRIOR TO THE MEETING TO COORDINATE APPROACH THAT WOULD NOT PREJUDICE EITHER OF OUR DIFFERENT APPROACHES. LUYTEN'S COMPLAINT

THAT THE ACTIVE LDCS DO NOT REPRESENT TRUE LDC VIEWS  
AND HIS URGING THAT DCS SHOULD NOT ATTEMPT TO DIVIDE LDCS  
MAY PRESAGE AN EC MOVE TO ENCOURAGE ACPS TO BESTIR  
THEMSELVES ON S&D, A STEP THAT WOULD GREATLY INCREASE  
DIFFICULTY OF REACHING A CONSENSUS.

9. DRAFTED BY GRAEF AND CULBERT. MCDONALD

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## Message Attributes

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**Disposition Date:** 22 May 2009  
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**Original Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
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**Type:** TE  
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